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The volume of merchandise exports of these selected commodities was slightly higher in January, 1919, than in the average month of 1913, while the total value of such exports was over two and one-half times as great. This divergence between the relatives of volume and value of exported merchandise tended to become greater until September, 1920. From October, 1920, to September, 1921, however, the value and volume series have shown a marked tendency to return to their 1913 relationship. Raw materials were first affected by this curtailment in relative values, but consumers' goods and producers' goods very soon followed the same course. In October, 1921, the value of raw materials once more showed a relative increase as compared with the volume, while consumers' goods and producers' goods registered a similar movement in November.

The volume of the selected group of imports in January, 1919, was only slightly larger than in the average month of 1913, while their value was over 50 per cent greater. This difference between relative volume and value of imports for the group as a whole tended to increase until July, 1920, but after that month declined rapidly, until the volume on a 1913 base in October, 1921, was greater than the value. This decline started first in the consumers' group in October, 1919; it was registered by raw materials commencing with June, 1920, and by producers' goods commencing with August, 1920. It was finally entirely checked in November, 1921, but average prices of consumers' goods had already commenced to show a reverse movement in July, 1921.

The value of both exports and imports increased more rapidly than their volume during 1919 and the first half of 1920. Since the summer of 1920, however, these values have shrunk very rapidly, and in recent months values of selected imports are relatively lower than in 1913, while values of a selected group of exports are only about 40 per cent higher than they would have been at 1913 prices.

INDEX NUMBERS FOR THE WAGES OF COMMON LABOR

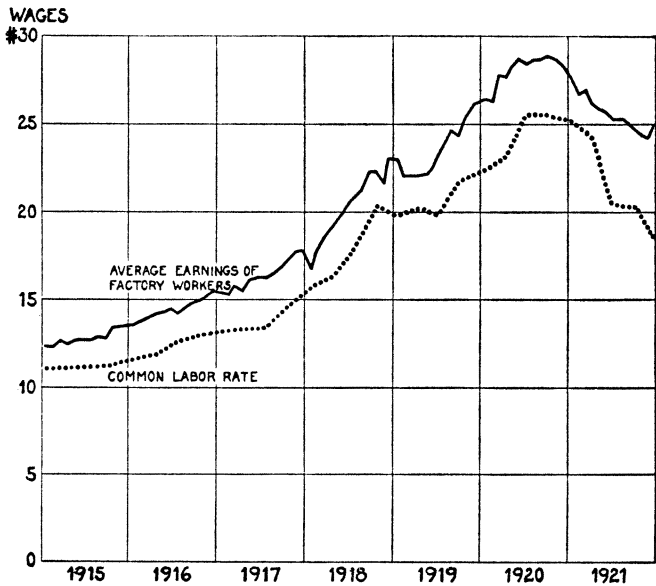
BY W. RANDOLPH BURGESS

The Federal Reserve Bank of New York has recently undertaken the compilation of an index number for the rate of pay for common labor in the second Federal Reserve District. Figures have been secured from sixteen concerns and occupations in the district employing about 20,000 workers, showing by quarters since 1913 the

hiring rate for male unskilled laborers in terms of average hourly wages. Similar figures were also secured showing the average number of hours in the working week, so that figures can be used on an hourly, daily, or weekly basis. The returns cover building laborers, railroad laborers, and laborers in a variety of industries.

Index numbers have been computed from the reports in the form of simple averages of rates shown by individual concerns. The number of concerns from which returns have been requested has been kept small in order that the figures may be secured rapidly at somewhat frequent intervals from the same number of establishments. The stability of the figures, in spite of the small number of firms, is assured by the homogeneous character of the group reported. Restricting the figures to the hiring rate for male common labor results in an exceedingly narrow spread in the distribution shown by the returns. The hiring rate for the last return in December was identical in the case of eight establishments. The probable error is thus reduced to a minimum in spite of the small number of concerns reporting.

The index for the rate of wages of common labor was undertaken for two major reasons. In the first place the studies of Professor H. L. Moore, of Columbia University, in his *Laws of Wages*, and the unpublished studies of Dr. Ralph G. Hurlin, of the Russell Sage Foundation, indicate that the wage of common labor is an exceptionally good indicator of the general level of wages, and that other wages in the long run tend to bear a direct relation to the wages of common labor. In the second place there has been no satisfactory current index up to this time of the changes in wage rates. The best wage indexes that have been available have been those compiled by the New York State Department of Labor for the average weekly earnings in industrial establishments in New York state, and the index prepared by the Federal Reserve Bank of New York from figures published by the United States Bureau of Labor Statistics for the average weekly earnings of workers in factories in thirteen representative industries throughout the United States. Although these indexes indicate the general trend of wage changes with a considerable degree of accuracy, they are affected by changes in employment. It is notable, for example, that the average earnings of workers in New York state factories have remained somewhat higher than would have been expected because in the recent period of industrial unemployment the least efficient and the poorest paid workers were released first and the more efficient and better paid workers were retained. The average earnings figures also reflect part-time employment. It is impossible to tell from the published figures how fully these different elements affect the final indexes.



Average Weekly Earnings of Factory Workers in New York State and the Average Weekly Wage Rate for Male Common Labor in the Second Federal Reserve District

In the accompanying diagram the movement of the common labor rate is compared with the index of average weekly earnings in New York state factories prepared by the New York State Department of Labor. The average earnings of factory workers have run slightly higher than the common labor rate, partly because they include the wages of some skilled and semi-skilled workers, although this factor is in part offset because they include the wages of women as well as of men. The common labor rate began its decline slightly earlier than average earnings of factory workers, and has declined much more rapidly. The common labor index shows somewhat fewer small fluctuations than the average earnings index, partly because it is on a quarterly rather than a monthly basis, and partly because of the effect on the average earnings index of employment conditions. The figures for the common labor index are presented in the following table:

AVERAGE WEEKLY EARNINGS OF UNSKILLED LABOR

| | January | April | July | October |
|-----------|---------|---------|---------|---------|
| 1914..... | | | \$10.92 | \$10.92 |
| 1915..... | \$11.10 | \$11.10 | 11.10 | 11.22 |
| 1916..... | 11.52 | 11.82 | 12.54 | 12.96 |
| 1917..... | 13.08 | 13.26 | 13.44 | 14.64 |
| 1918..... | 15.60 | 16.32 | 17.88 | 20.28 |
| 1919..... | 19.80 | 20.10 | 19.98 | 21.84 |
| 1920..... | 22.44 | 23.16 | 25.50 | 25.50 |
| 1921..... | 25.14 | 24.36 | 20.64 | 20.40 |
| 1922..... | 18.06 | | | |